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SEP 26 2007

September 26, 2007

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SEP 26 2007

Federal Communications Commission
Office of the Secretary

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

**Re: Request of Inter-Tel (Delaware), Inc., Inter-Tel NetSolutions, Inc.,
and Mitel Networks Corporation for Extension of Special
Temporary Authority for the Transfer of Control of a Company
Holding Domestic and International Section 214 Authority
(WC Docket No. 07-158; FCC File No. ITC-STA-20070730-00299)**

Dear Ms. Dortch:

Inter-Tel (Delaware), Inc. ("Inter-Tel"), Inter-Tel NetSolutions, Inc. ("NetSolutions") and Mitel Networks Corporation ("Mitel") (hereinafter, the "Applicants"), hereby request extension of the special temporary authority ("STA") initially granted on August 6, 2007. A copy of the grant-stamped STA is attached. Mitel assumed control of Inter-Tel and NetSolutions, effective August 16, 2007, under the authority of this STA.

Full details of the underlying transaction are included in the pending applications, filed on July 25, 2007, and in the original STA application, filed on July 30, 2007. The underlying applications remain pending to allow for completion of national security review. *See* Letter from Stephen Heifetz, Director, Foreign Financial and Investment Issues, U.S. Department of Homeland Security, to Marlene H. Dortch, Secretary, FCC, dated August 15, 2007 (requesting removal of applications from streamlined processing to allow completion of review). Because the current STA expires on October 3, 2007, the Applicants require an additional sixty day period within which to maintain the *status quo* pending final action on the pending applications.

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Grant of this STA extension is necessary to permit NetSolutions to continue its current operations under its new ownership, and will therefore serve the public interest, convenience and necessity by ensuring that NetSolutions can continue to provide telecommunications services to the public. Applicants acknowledge that the grant of this extension will not prejudice any action the Commission may take on the underlying applications.

Respectfully submitted,

Raul R. Rodriguez

David S. Keir

*Counsel to Mitel Networks Corporation,
Inter-Tel (Delaware), Inc., and
Inter-Tel NetSolutions, Inc.*

Attachment

cc: Jodie Donovan-May (FCC WCB)
Christi Shewman (FCC WCB)
Tracey Wilson (FCC WCB)
Susan O'Connell (FCC IB)
George Li (FCC IB)
Liasanne Cottington (Inter-Tel)

ATTACHMENT

STA Granted August 6, 2007

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July 30, 2007

Via Hand Delivery

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
The Portals
445 12th Street, S.W.
Washington, D.C. 20554

Re: WC Docket No. 07-158; Request of Inter-Tel (Delaware), Inc., Inter-Tel NetSolutions, Inc., and Mitel Networks Corporation for Approval of the Transfer of Control of a Company Holding Domestic and International Section 214 Authority

Dear Ms. Dortch:

Inter-Tel (Delaware), Inc. ("Inter-Tel"), Inter-Tel NetSolutions, Inc. ("NetSolutions") (collectively Inter-Tel and NetSolutions are referred to as the "Company") and Mitel Networks Corporation ("Mitel"), (Inter-Tel, NetSolutions and Mitel collectively referred to as "Applicants"), pursuant to Section 214 of the Communications Act of 1934, 47 U.S.C. §214, respectfully submit this urgent request for special temporary authority ("STA") for a period of sixty (60) days, commencing August 6, 2007, to transfer control of NetSolutions from Inter-Tel to Mitel.

As detailed in the underlying application filed by the Applicants on July 25, 2007 and attached hereto as Exhibit A (the "Application"), NetSolutions, a wholly owned subsidiary of Inter-Tel, holds blanket domestic Section 214 authority to provide interstate telecommunications services, and holds international Section 214 authority to provide resold international services pursuant to FCC File No. ITC-214-19920731-00066.

Applicants urgently require an STA to consummate their transfer transaction on time and without further delays resulting from extensive and unwarranted suspension of the processing of Applicants' application due to Commission error. With approval of this request by August 6, 2007, the Applicants hope to complete the financing process and any other conditions to closing, and consummate the transaction as early as August 8, 2007. The facts of this extensive and unwarranted delay are as follows.

On June 8, 2007, Applicants filed a combined international and domestic application for approval under Section 214 of the Communications Act, as amended, to transfer control of NetSolutions from Inter-Tel to Mitel. That application contained all of the ownership, transaction and other information required for this relatively straightforward transaction under the Commission's Rules. On June 11, 2007, Commission staff advised Inter-Tel that the application was subject to "red-light" status

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GRANTED

AUG 06 2007
Christie
COMPETITION POLICY DIVISION
WIRELINE COMPETITION BUREAU

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July 30, 2007
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based on Commission debt records and would not be processed unless and until the apparent delinquent debts had been resolved.¹ Commission staff specifically stated that 1) Inter-Tel owed the Commission \$99,217 an amount that apparently reflected a short payment of a \$3,336,488.12 fine imposed on Inter-Tel on February 27, 2005, and 2) NetSolutions owed the Commission \$23,721.88 for outstanding 2003 regulatory fees.

Inter-Tel immediately investigated these alleged delinquent debts and determined that the 2003 regulatory fee amount had in fact been inadvertently overlooked. NetSolutions immediately paid the \$23,721.88 to the Commission on June 15, 2007, at which time the Commission lifted the "red-light" status that pertained to this debt. Inter-Tel, however, was unable to confirm the delinquent debt of \$99,217.99 and first advised the Commission on June 12, 2007, that company records showed that all payments with respect to USAC and FCC obligations in fact had been completely and timely paid.² Over the next approximately 45 days, the Company left numerous messages with various FCC and USAC bill collection staff without response seeking resolution of the apparent error in Commission records.

During this time neither the international nor the domestic Section 214 transfer applications were placed on public notice. Despite the Company's numerous attempts to resolve the Commission's apparent error, the Commission dismissed the domestic application on July 12, 2007, for failure to make "full payment or satisfactory arrangement[s] to pay the delinquent debt."³ Applicant's refiled their domestic Section 214 application on July 25, 2007.

Finally, after the Company's repeated inquiries and nearly a month and a half after first advising the staff that the Company did not owe any debts to the Commission, Ms. Cottington was able to speak to the original USAC bill collection staffer and was informed that the matter had been sent to USAC's legal department. Inter-Tel employed its outside counsel to contact USAC's General Counsel on the matter. On July 25, 2007, USAC's General Counsel called Ms. Cottington and advised her that the delinquent "red-light" bill was, in fact, a Commission/USAC billing error. USAC's General Counsel referred Ms. Cottington to the Commission's General Counsel's office for resolution of the "red-light" on the erroneous bill. The Commission's General Counsel's office advised the Company's outside counsel on July 26, 2007, that staff had in fact determined that the \$99,217.99 was erroneously reflected in the Commission's records as a

¹ Notice of Withholding of Action from Cheryl A. Collins, Revenue and Receivables Operations Group, Federal Communications Commission to John Gardner, Esq., Inter-Tel (Delaware), Inc., dated June 11, 2007.

² Telephone Conversation, Lianne Cottington, Inter-Tel Compliance Officer, and Mary Wallace, USAC (June 12, 2007) (concerning timely payment of Inter-Tel USAC and FCC fees). E-Mail from Lianne Cottington, Inter-Tel Compliance Officer, to Mary Wallace, USAC (June 12, 2007) (concerning same).

³ Notice of Dismissal from Christi Shewman, Chief Competition Policy Division, Federal Communications Commission to John Gardner, Esq., Inter-Tel (Delaware), Inc., *et al.*, dated July 12, 2007.

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delinquent debt and that Commission records would be corrected to lift the "red-light" status.⁴ That red-light status was lifted on July 27, 2007.⁵

Applicants now seek STA from the Commission by no later than August 6, 2007, in order to allow the timely consummation of the proposed transfer transaction scheduled as early as August 8, 2007. Applicants submitted their applications well in time to obtain Commission review and approval prior to the scheduled closing and but for the error in the agency's records and the significant difficulty in correcting the error, Applicants would likely have already received Commission approval by this time. Applicants have already obtained necessary approvals in 15 states and the FCC's approval is the only outstanding regulatory consent required. Applicants have experienced significant hardship due to the Commission's inaccurate records creating unusual and unwarranted delay for the Applicants, as well as significant added expense in attempting to correct the Commission's error. If the Applicants are not able to timely consummate their transaction, the companies involved will suffer significant commercial and strategic harm that will ultimately harm consumers. Further delays in FCC approval will also complicate the financing process, create uncertainty among shareholders, and endanger the Applicants' ability to close the transaction.

Grant of this STA is necessary to permit the Applicants to consummate their transfer transaction as planned. As described in the application, Applicants expect significant public interest benefits from the transaction without any harm to customers. As such, approval of this STA will serve the public interest.

Applicants acknowledge that the grant of this STA will not prejudice any action the Commission may take on the underlying application seeking Commission consent to the transfer of control. The parties further acknowledge that this STA can be revoked by the Commission upon its own motion without a hearing.

* * * *

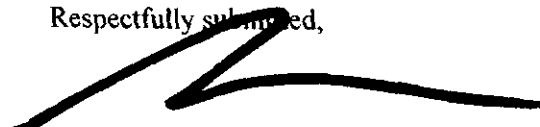
⁴ Telephone Conversation, Debra Weiner, Assistant General Counsel, Federal Communications Commission, and Catherine Wang, Bingham McCutchen LLP, outside counsel to Inter-Tel (Delaware), Inc., (July 26, 2007) (indicating Commission's error, and that "red light" status would be lifted).

⁵ Much to the Company's shock and dismay, on July 26, 2007, the Company discovered that a new "red-light" status had been imposed on NetSolutions for an apparently unpaid amount of \$8,987.39 for 2006 annual regulatory fees. Even though NetSolutions has confirmed that it has timely paid that amount, as evidenced by the FCC's cancelled check, and this "red-light" status is also in error, on July 27, 2007, NetSolutions paid the 2006 regulatory fee again in order to quickly lift the remaining "red-light" status and clear the way for processing the FCC transfer approvals so that the parties may close their transaction. NetSolutions will separately seek an appropriate refund of its overpayment.

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An original and four (4) copies of this request are enclosed for filing. Please date-stamp the enclosed extra copy of this filing and return it in the attached envelope. Should you have any questions concerning this filing, please do not hesitate to contact us.

Respectfully submitted,



Catherine Wang
Troy F. Tanner
Jeffrey Strenkowski

Counsel to the Applicants

Attachments

cc: Jodie Donovan-May (FCC)
Christi Shewman (FCC)
Tracey Wilson (FCC)